

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

FEDERAL COMMUNICATIONS  
COMMISSION  
OFFICE OF SECRETARY

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In the Matter of

Local Competition Survey

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CC Docket No. 91-141  
CCB-IAD File No. 98-102  
DA No. 98-839

**REPLY COMMENTS  
of the  
NATIONAL TELEPHONE COOPERATIVE ASSOCIATION**

The National Telephone Cooperative Association (NTCA) hereby submits its reply comments in response to the Commission's Public Notice of May 8, 1998, DA 98-839. NTCA is a national association of approximately 500 local exchange carriers ("LECs") providing telecommunications services to end users and interexchange carriers throughout rural America. All NTCA members are small carriers that are "rural telephone companies" as defined in the Telecommunications Act of 1996 (the "Act").<sup>1</sup>

**INTRODUCTION**

The Commission proposes to require all local exchange carriers, incumbent and competitive, to file quarterly surveys with the Commission reporting data on local competition.

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<sup>1</sup> 47 U.S.C. § 151 *et. seq.*

The Commission states that it seeks to “achieve an adequate understanding of local exchange and exchange access competition in diverse areas of the country while minimizing filing burdens on respondents.”<sup>2</sup> NTCA submits that while this goal is laudable, NTCA agrees with other commenters that requiring all local exchange carriers to file quarterly surveys does not further it.

## DISCUSSION

NTCA agrees with commenters that the FCC should exempt any small ILEC that serves fewer than 50,000 access lines from any requirement to complete and file a local competition survey.<sup>3</sup> As NTCA pointed out in its comments and is addressed in the comments of the Rural ILECs, The survey data from rural ILECs will not hinder the goals of the FCC. Rural telephone companies provide service to less than 5 percent of the national telephone market. This 5 percent of the national market is divided into 850 different rural telephone companies spread out across the country. As such, data collected from any one rural telephone company is going to provide merely a glimpse of a minuscule portion of the market and in no way contribute to the “big picture.” Competition is developing now in metropolitan and urban areas of the country. A competitor has the economic incentive to develop such markets. In contrast, rural areas are, by their very definition, sparsely populated and often difficult to serve. While no market is immune from competition, such competition is not likely to significantly develop in small markets in the near future. Therefore, the FCC will get its clearest picture of local competition by examining

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<sup>2</sup> *Common Carrier Bureau seeks comment on Local Competition Survey*, CC Docket No. 91-141, Public Notice, (Released May 8, 1998), ¶ 1. (“Public Notice”)

<sup>3</sup> See Comments of The Rural ILECs.

the larger, more urban areas.

Furthermore, the regulatory burden on rural ILECS is excessive. The FCC estimates that filing the survey as proposed would take about 30 hours per response. Assuming that the FCC's estimates are correct,<sup>4</sup> every rural company would spend 120 hours annually to comply with the survey requirement. While 120 hours annually may not be a significant burden on a company with thousands, or even hundreds of employees, many rural telephone companies have less than 15 employees. As the Rural ILECs point out in their comments, an ILEC would have to devote approximately 6 percent of any employee's work year to preparing and filing the new, quarterly surveys.<sup>5</sup> A rural telephone company simply does not have the human resources necessary to complete this task. A company will be forced to pay overtime, or hire an additional part-time worker, just to get the job done.

The FCC should prepare a cost-benefit analysis. The cost of this survey requirement on rural ILECs is excessive while the corresponding benefit is minimal. Therefore, NTCA

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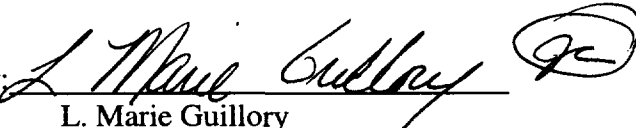
<sup>4</sup> There is evidence that the FCC "grossly underestimates" the amount of time it will take to comply with the survey requirement. BellSouth states that its response to the Commission's voluntary survey, used as a model for the one proposed, required 300 man hours and substantial amounts of computer time to complete. Comments of BellSouth at p. 4. If true, a total of 1,200 hours will be spent on the survey requirement. The FCC will have forced the rural company to hire another full-time employee. *See also*, Comments of US West at p. 4 (US West estimated that it took more than 200 hours to complete the voluntary survey).

<sup>5</sup> Comments of the Rural ILECs at p. 8.

respectfully submits that the FCC should examine the comments in this proceeding closely and determine that rural telephone companies need not complete the local competition survey.

Respectfully submitted,

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June 22, 1998

CERTIFICATE OF SERVICE

I, Rita H. Bolden, certify that a copy of the foregoing Reply Comments of the National Telephone Cooperative Association, CC Docket No. 91-141, CCB-IAD 98-102 was served on this 22nd day of June 1998, by first-class, U.S. Mail, postage prepaid, to the following persons on the attached list:

  
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